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Financing of the United Nations Organization Mission in the Democratic Republic of the Congo

Progress report on the status of the airfield services contract for the United Nations Organization Mission in the Democratic Republic of the Congo

Report of the Secretary-General*

Summary

The present report provides the status of the airfield services contract for the United Nations Organization Mission in the Democratic Republic of the Congo.

* The consultative process between Headquarters and the field to ensure that operational aspects were duly taken into account resulted in the delayed finalization of the report.

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I. Introduction

1. In its resolution 56/252 B of 27 March 2002, the General Assembly endorsed the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions on the proposed budget of the United Nations Organization Mission in the Democratic Republic of the Congo (A/56/845) and requested the Secretary-General to ensure their implementation. The Assembly also requested the Secretary-General to take into consideration the concerns and options referred in paragraph 99 of the report and to submit a progress report to the Assembly for its consideration during the second part of its resumed fifty-sixth session.

2. In compliance with that request, the Secretary-General submitted a progress report (A/56/938) on 10 May 2002. In its resolution 56/252 C of 27 June 2002, the General Assembly requested the Secretary-General to report further on the status of the airfield services contract in the Mission to the General Assembly at its fifty-seventh session.

3. The present report therefore provides information on the status of the airfield services contract and progress made since then.

II. Background

4. Airfield support requirements in the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) encompass a range of critical tasks essential to the Mission that include cargo handling, passenger services, meteorological services, emergency crash rescue services (medical and firefighting), air terminal operations centre coordination services and a project management office to manage contractor activities. Services are provided to a number of airfields in MONUC with the number varying in response to the Mission's operational requirements. Currently, services are provided at five airfields by a joint venture of Pacific Architects and Engineers Incorporated-Government Services (United States of America) and Daher International (France).

5. The previous progress report (A/56/938) referred to the intention of the Secretariat to negotiate a six-month extension to the existing contract. However, the contractor did not agree to such an extension based on the contractual requirement stating an option only for a 12-month extension and not part thereof. Subsequent negotiations with the contractor resulted in an agreement for a nine-month extension, with the contract thus terminating on 31 March 2003. During mid-November 2002, negotiations with the current contractor took place to resolve outstanding matters. Agreements reached included a significant reduction of cost based on actual requirements and the contractor releasing the Organization from any potential claims that may have arisen from the provision of services under the existing contract. Those agreements are being finalized as a contractual amendment.

III. Actions taken

6. As set out in the aforementioned progress report, it had been decided to replace the airfields services contract and, to that end, to explore the following five options

to ensure the uninterrupted provision of services to MONUC: United Nations international and local staff; military contingents; local contractors; international contractors; or a combination of those options.

7. A working group comprising representatives of the Logistics Support Division in the Department of Peacekeeping Operations, the Procurement Division in the Office of Central Support Services and the General Legal Division in the Office of Legal Affairs of the Secretariat was formed at Headquarters to support MONUC in that task. In its work, the group took due account of the issues referred to in the reports of the Advisory Committee on Administrative and Budgetary Questions and the Office of Internal Oversight Services concerning the prior contract solicitation and award process to ensure that the concerns raised have been addressed.

8. As a first step, MONUC, in close consultation with the working group, completed a comprehensive reassessment of all requirements related to the provision of airfield services in support of its operations. On the basis of the defined refined and updated requirements, the following activities were undertaken to put in place appropriate support arrangements.

9. The Secretariat hosted a special troop contributors meeting to elicit offers for specialized military units capable of carrying out all or part of the required airfield services. Some 86 potential troop contributors were canvassed and expressions of interest that met some of the requirements were received from two countries (Uruguay and Bangladesh). In addition, troop-contributing countries were briefed on the requirements in the context of MONUC phase III developments. Assessment teams were sent to each of those countries to review the equipment and support capabilities and the team's report assessed that the countries, to varying degrees, could support up to five airfields (three from Bangladesh and two from Uruguay). It was decided that those offers were more appropriate to support the MONUC phase III task force activities. MONUC intends to use those task force resources in the more remote and potentially hazardous airfields in the east of the Mission area. A subsequent offer from Sweden is also being assessed with likely employment at a major airfield in the east, if accepted.

10. MONUC undertook a market survey of potential local contractors in the Mission area. The Mission advised that the survey determined that very few local contractors were available to undertake part of the required services and that none was available to undertake all of the services.

11. The Secretariat undertook a survey of potential candidates for United Nations international staff as a means of meeting some of the requirements for those services. A range of potential positions was advertised through vacancy announcements and nearly 250 applications were received from both external and internal sources. After a review of those applications, it was determined that less than 30 per cent of the candidates were assessed as being suitable for the advertised positions. In most cases the number of applicants assessed as being suitable ranged from zero to five. It was concluded that it was not possible to secure the numbers of qualified personnel within the time frame needed, but that United Nations international staff could possibly fill some selected management and technical positions to help meet the required services.

12. The Secretariat undertook research on the international market, including the publication of an online request for expressions of interest, and carried out several

web searches to ascertain the potential availability of suitable international contractors. Based on the results of those efforts, the request for proposal was eventually issued to 46 firms.

13. The Secretariat undertook a business case analysis to determine the best options for meeting the requirement. The above-mentioned five options for providing the required services were examined. The working group determined that the analysis illustrated that the preferred option for the United Nations would be a combination of all of the options, giving the Mission the maximum flexibility and resources within the projected funding to meet its requirements, particularly noting the inevitable changes to MONUC operational and support plans that were likely to occur. However, it was also recognized in the analysis that use of local contractors over and above those already employed to support airfield operations was unlikely, but that MONUC should monitor local contractor capability for possible future employment where suitable. It was also concluded that, though international staff were assessed as the most expensive option, their employment in senior positions, such as airfield manager and airfield technical services adviser, provided management and quality assurance benefits. It was further assessed in the business case analysis that, based on the expected troop contributor responses, any available military units would be best employed to provide those services in the more isolated and potentially insecure locations.

14. Technical and contract management staff in MONUC developed a scope of work, which was then reviewed by the Secretariat to ensure that it described the then anticipated range of tasks and level of effort required of a potential contractor. The scope of work used existing international standards for aviation operations, airfield activities and aviation safety to develop a baseline against which proposals would be assessed. It was developed on a cost plus performance fee basis that allows the United Nations to select, activate and pay only for the services that are required to be performed. The scope of work also incorporated a quality assurance surveillance programme based on international standards, which will allow MONUC to monitor the performance of the contractor adequately and use the results to determine the level of fee to be paid. Furthermore, a detailed set of evaluation criteria against which the vendor's proposals would be reviewed was developed and explained in the request for proposal issued to potential proposers.

15. The International Civil Aviation Organization (ICAO) was requested to provide a specialist to assist in the review of the request for proposal and thereafter provide technical support during the evaluation process. As ICAO was unable to do so, a suitably qualified external consultant, known as the request for proposal adviser, was competitively selected through commercial processes to review the scope of work, the evaluation criteria and the overall request for proposal package and to assist in the evaluation of proposals received. The request for proposal adviser participated in the site visit in MONUC, reviewed and made recommendations to improve all associated documentation and participated in the evaluation of the proposals. The working group concluded that the adviser provided an expert and unbiased assessment of the rebidding process and the evaluation conclusions. The adviser's report concurred with the process and the results of the evaluations.

16. The request for proposal also included a model contract developed with the Office of Legal Affairs. The purpose of including that document in the request for

proposal was to ensure that all potential contractors were fully aware of the proposed contract management methodology and terms of the agreement to be in place upon award. In particular, it was desired that proposers be cognizant of the terms that allowed the United Nations to select only those services required, change the scope of work and amend the service requirements to reflect changes in the MONUC requirements and the mechanisms by which that would be done.

IV. The request for proposal solicitation process

17. The request for proposal, dated 9 September 2002, was issued to 46 firms and scheduled to close on 4 November 2002. It stipulated that potential bidders, to be eligible for further consideration, must attend a site visit arranged by MONUC. That visit commenced on 1 October 2002 and lasted 10 days, with five international companies and two local companies participating. Representatives participated in visits to all applicable airfields, received comprehensive briefings on the required services, the MONUC operating environment and the method of contract management and had several opportunities to submit requests for clarifications. Representatives from the Secretariat also participated. The request for proposal closing date was extended to 18 November 2002 after it was noted that local firms had received the request for proposal approximately five days after international firms and to allow for the consideration of clarifications issued by the Secretariat in response to questions raised by the potential bidders during and after the site visit.

18. By the closing date for the submission of proposals, four proposals, including an alternate proposal, were received. Proposals were submitted in three separate volumes — technical, management and cost.

V. Request for proposal evaluation and contract recommendation

19. A joint team, consisting of representatives from MONUC and the Logistics Support Division, undertook the evaluation of the technical and management proposals. The joint team was divided into two components — the first component completed a detailed assessment and scoring of each technical and management proposal. The second component reviewed and assessed the scoring to ensure that all factors had been considered. Both components then arrived at a consensus assessment for the technical and management evaluation.

20. In its report, the joint team concluded that, although all proposals were found to be technically acceptable, the proposal submitted by one vendor was considered superior to the others. It may be noted that during the official opening of proposals, pertinent pages of each copy of the proposers' cost offers were affixed with a time stamp and the submissions secured and retained by the Procurement Division. No copies of the cost proposals were provided to the joint team evaluating the technical and management proposals. Thus, the work of the joint team as described above was undertaken with no knowledge of the cost proposals. The cost proposals were not reviewed until the written results of the technical and management evaluation were finalized.

21. The Procurement Division's cost evaluation indicated that the lowest bidder was the same as that assessed by the joint team as having submitted a superior bid. Similar to the review and verification process of the technical and management evaluation, those cost findings were reviewed and verified by the MONUC team. Detailed assessments of all cost submissions were undertaken and calculations made on the costs submitted by the proposers to ensure that cost comparisons were concluded on an identical basis for all bids, as some variations between the proposals were noted.

22. Having established the recommended awardee, the possible contributions of the potential specialist military contingent components available for the provision of the required airfield services were then reassessed by the joint team, in accordance with the concept established in the business case analysis. In that regard, it will be recalled that the model contract forming part of the request for proposal reflected the MONUC requirement to have flexibility in the selection of services and sites at which they were located. That reassessment finalized a recommendation for the distribution of airfields between the civilian contractor and the military contingents. All evaluations and assessments were in parallel transmitted to MONUC, with a request for its concurrence. MONUC, after discussion and comment, advised formal concurrence.

23. The case was presented to the Headquarters Committee on Contracts on 19 December 2002. The Committee unanimously recommended approval of the proposed award and commended the staff of the Procurement Division, the Department of Peacekeeping Operations and MONUC on the quality and thoroughness of the presentation.

24. Final contract negotiations with the recommended vendor are now being undertaken to conclude a contract to commence the services from 1 April 2003.

25. During the rebidding process, the Office of Internal Oversight Services was kept apprised of developments.

26. Based on recent developments with possible troop-contributing nations, the current planning for use of resources as at the date of the present report is as follows. It is planned to use the commercial contractor for services at Kinshasa, Kisangani, M'bandaka, Kananga and Kalemie. Contingent resources would be deployed to Kindu, Manono, Bukavu and other phase III airfields as requirements develop, noting that the task force airfield contingents will be primarily dedicated to the support of task force activities. Dependent on airfield service contingent deployment dates and the dynamics of the Mission, those plans could change. Adjustments would be made as deployment dates were finalized.

VI. Conclusion

27. **The Secretariat has undertaken a detailed and thorough exercise to replace the existing airfield services contract in MONUC. That effort will result in the provision of the required services through two principal sources, military units and an international civilian contractor. The new contract should take effect on 1 April 2003.**